

A G E N D A

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
Regular Meeting
Multi-Purpose Room #2
Montgomery County Government Center
Monday, April 4, 2016
7:00 PM

- I. CALL TO ORDER**
- II. DETERMINATION OF QUORUM**
- III. PUBLIC ADDRESS SESSION**
- IV. CONSENT AGENDA**
- V. INTO WORK SESSION**
 - A. FY 2017 Budget Review
- VI. OUT OF WORK SESSION**
- VII. FINANCIAL REPORT**
- VIII. DIRECTOR'S REPORT**
- IX. AUTHORITY MEMBERS' REPORT**
- X. INTO CLOSED MEETING**
 - A. Personnel
- XI. OUT OF CLOSED MEETING**
- XII. CERIFICATION OF CLOSED MEETING**
- XIII. ADJOURNMENT**

TO: PSA Board of Directors

FROM: Robert C. (Bob) Fronk, PSA Director

DATE: April 4, 2016

SUBJECT: **AGENDA REPORT - PSA REGULAR MEETING – April 4, 2016**

I. CALL TO ORDER

The Chair will call this meeting to order.

II. DETERMINATION OF QUORUM

The Chair will determine if a quorum is present.

III. PUBLIC ADDRESS SESSION

The Chair will ask if there are any comments from the public. Each person will be allowed five minutes to address the Board.

IV. CONSENT AGENDA

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated March 7, 2016. See Item 1 .

V. INTO WORK SESSION

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby enters into Work Session for the purpose of discussing the following:

A. FY 2017 Budget See Item 2

VI. OUT OF WORK SESSION

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby ends their work Session to return to regular session.

VII. FINANCIAL REPORT

The financial report for period ending March 31, 2016, is attached.
See Item 3

VIII. DIRECTOR'S REPORT

The Director's report will be presented at this time. See Item 4.

IX. AUTHORITY MEMBERS' REPORT

1. Member King
2. Member DeMotts
3. Member Biggs
4. Member Creed
5. Member Perkins
6. Member Sheppard
7. Member Tuck

X. INTO CLOSED MEETING

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby enters into Work Session for the purpose of discussing the following:

A. Personnel

XI. OUT OF CLOSED MEETING

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority hereby ends their Closed Meeting to return to Regular Session.

XII. CERTIFICATION OF CLOSED MEETING

PROPOSED RESOLUTION:

WHEREAS, the Public Service Authority of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Public Service Authority does hereby agree, that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the meeting to which this certification resolution applies; and (ii) only public business matters as were identified in the motion conveying the Closed Meeting were heard, discussed or considered by the Authority.

XIII. ADJOURNMENT

PROPOSED RESOLUTION:

BE IT RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for May 2, 2016.

CONSENT AGENDA
April 4, 2016

A. APPROVAL OF MINUTES

1. SUBJECT: APPROVAL OF MINUTES DATED
March 7, 2016

ISSUE/PURPOSE: The above listed minutes are before the
Board for approval. See Item 1.

AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE
AUTHORITY, HELD ON THE 7th DAY OF MARCH 2016, 7:00 P.M., MULTI PURPOSE
ROOM #2, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANBURG,
VIRGINIA:

PRESENT:

Todd King	-Chair
April DeMotts	-Vice Chair
Mary Biggs	-Secretary-Treasurer
Annette Perkins	-Member
Gary Creed	-Member
Darrell Sheppard	-Member
Christopher Tuck	-Member
Robert C. Fronk	-PSA Director
Dawn Baker	-PSA Board Secretary
Craig Meadows	-County Administrator
Marty McMahon	-County Attorney
Steve Howard	-Planning Commission

ABSENT:

CALL TO ORDER

PSA Chair Todd King called the meeting to order and determined that a quorum was present.

CONSENT AGENDA

On a motion by Mary Biggs, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated February 1, 2016.

The roll call vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Mary Biggs		
Annette Perkins		
Darrell Sheppard		
Gary Creed		
Christopher Tuck		
April DeMotts		
Todd King		

INTO WORK SESSION

On a motion by Mary Biggs, seconded by Christopher Tuck, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Work Session for the purpose of discussing the following:

FY 2017 Budget Review

The roll call vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Christopher Tuck		
Gary Creed		
Mary Biggs		
Annette Perkins		
Darrell Sheppard		
April DeMotts		
Todd King		

OUT OF WORK SESSION

On a motion by Christopher Tuck, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby ends their Work Session to return to regular session.

The roll call vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Christopher Tuck		
Gary Creed		
Mary Biggs		
Annette Perkins		
Darrell Sheppard		
April DeMotts		
Todd King		

NEW BUSINESS

R16-03-01 RESOLUTION APPROVING PROJECT SUBSTITUTION IN APPROVED FY15 CAPITAL IMPROVEMENT PROJECTS

On a motion by Mary Biggs, Seconded by Gary Creed, and carried; IT WAS RESOLVED, by the Montgomery County Public Service Authority, that the Board of Directors hereby approve the modification of the approved FY16 CIP to substitute the "Walnut Creek Sewage Pump Station Replacement" project for the "Woodview – Mudpike Connection" project at a cost of \$300,000.

The roll call vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Gary Creed		
Christopher Tuck		
Mary Biggs		
Annette Perkins		
April DeMotts		
Darrell Sheppard		
Todd King		

FINANCIAL REPORT

Distributed at the meeting

DIRECTOR'S REPORT

1. Monthly Activities Report

The February 2016 report is attached for review.

2. Perchlorate in Drinking Water

Upon inquiry from Board Member April DeMotts, the Director contacted the NRV Regional Water Authority (NRVRWA) Director relative to perchlorate in drinking water for the Prices Fork water system (adjacent to Radford Arsenal). Attached is the email string relative to this issue.

According to NRVRWA Director, perchlorate has only been tested once in 2004 and the result was below the detection level. The two PSA water systems supplied by wells, Woodview and Riner are approximately 5 ½ miles and 9 miles away from the Radford Arsenal respectively and neither has been tested for perchlorate per our recent file review. Perchlorate testing can be done at a cost of \$187 per sample.

3. Riner Water Main Upgrade in VDOT Rt. 8 Improvement Project

A 748 foot section of existing 6 inch water main is planned for relocation as part of the proposed VDOT Rt. 8 (Riner Rd. & Union Valley Road) improvement project. We requested cost information during the project plan review process to upgrade the existing 6 inch water main being relocated to 8 inch pipe along with installing two new 8 inch pipe stub outs to allow for future extensions. VDOTS consultant engineer provided a cost estimate of 11.3% (estimated at \$17,220) of the total utility project costs for increasing the pipe size and the new stub outs. The actual cost will be identified upon receipt of the project bids. The funding requirement for this upgrade will be reviewed with the PSA BOD once the project bids are received and the actual amount of the 11.3% is known.

4. February 2016 Water Main Breaks and Sewage System Issues

We experienced eight water main breaks, two follow up major repairs from January 2016 water main breaks, three sanitary sewer overflows, two sewer main blockages requiring equipment to remove, one sewer main blockage resulting in excavation, two sewer pump failures and multiple after hours trouble calls during the month. These problems will have major budget impacts for the system repair materials and associated restoration of pavement and excavated areas.

This volume of emergency work is unusual and the worst run in everyone's memory. Through it all, PSA staff responded in a timely fashion and made timely repairs during difficult conditions and circumstances. This is a testament to their professionalism and dedication.

By Consensus, the PSA Board of Directors approved a two tiered bonus of \$50.00 and \$100.00 for all PSA employees. Those employees who responded to the majority of emergencies are to receive \$100.00 while the remaining employees receive \$50.00. The board also approved a lunch banquet for the employees.

5. Woodview Water System Leak Repairs

PSA Staff noticed increasing water loss over the past quarter in the Woodview water system. The Woodview water system is a stand-alone system along Mudpike serving 27 residential connections supplied by a single groundwater well.

We were able to isolate the section of system with the water leak and are planning to install a section of parallel water lines to replace the leaking section using a combination of PSA staff and contractors. This will provide a long term solution rather than a "band-aid" type fix. The estimated costs of materials and labor to install the new water lines is \$8,000. Funding should be available from the current budget year Water & Maintenance Repairs line.

6. Flint Michigan Water Issue

The Director attended a presentation Thursday January 28, 2016 and a 3 hour training workshop on February 17, 2016 by Virginia Tech researchers relative to the water quality issues in Flint Michigan. This issue was discussed during the February 1, 2016 PSA Meeting.

Lead and other water quality issues in Flint appear to be the result of failures to follow standard procedures and good judgment. Lead in drinking water tends to be an issue related to water quality, pipe materials, fitting materials and household plumbing fixtures. Lead tends to be leached from lead containing materials rather than being in the source water. However, the chemistry of the source water can have an adverse effect on lead released from materials/fixtures if not properly treated.

We are not aware of any lead water mains in our systems, which is mainly due to the newer age of the PSA water systems. However, the smaller diameter lead containing fittings, solder joints, and plumbing fixtures may exist in many of the houses due to their period of construction and common use of these materials until 1986 for lead solder and 2014 for fittings and plumbing fixtures.

The members of the NRV Regional Water Authority collaborated on the enclosed informational release which has been posted on our website.

7. Employee Workers Comp Claim

On February 13, 2016 Michael Wilson suffered a broken bone in his left hand while repairing a water main break in the Prices Fork area. A piece of pipe he was cutting shifted and caught his hand between two ends of the pipe. Michael was taken to the emergency room for evaluation and released about 2 hours later. A Workers Comp claim was submitted and has been processed. Michael is expected to be out 5 – 6 weeks.

This incident has been reviewed. It was determined that a nearby gate valve was under pressure and had not been properly restrained allowing the section of pipe being cut to move once the cut section of the pipe was removed. The gate valve was not checked to see if it was restrained, as it was assumed that it had been restrained during the initial construction.

8. HASH Sewer pump Station

We experienced the failure of the second original pump at the HASH sewer pump station on February 7, 2016. We ordered another replacement pump assembly on February 8, 2016 at a cost of \$2,800. We experienced the failure and replacement of the first original pump in October 2015 along with the failure and replacement of the original control panel.

The PSA took over operation of the pre-manufactured duplex pump system serving the commercial building of 4008 and 4010 Riner Road building in August 2005. This pump system was originally installed in 1996 or 1997 as part of the HASH Investment project. According to tax records, the 2 buildings served by the pump system were purchased by WF Pack III LLC in June 2009.

While replacing the first pump assembly in October 2015, we found that the system check valve was defective as sewage flowed back into the pump system and overflowed onto the ground/parking lot. We will need to coordinate replacement of the system check valve before we can replace the new pump. This work will be coordinated to contain the backflow of sewage before replacement of the check valve and installation of the new pump.

The Director plans to attend a presentation Thursday January 28, 2016 by Virginia Tech researchers relative to the water quality issues in Flint Michigan to obtain background information on this issue for discussion during the February 2016 PSA Meeting.

9. PSA Director Annual Performance Evaluation

The PSA Director annual evaluation is due April 3, 2016. A blank copy of the evaluation form will be provided during the meeting.

AUTHORITY MEMBERS' REPORT

Vice Chair DeMotts – No Report
Secretary Biggs – No Report
Member Perkins- No Report
Member Creed – No Report
Member Sheppard - No Report
Member Tuck - No Report
Chair King- No Report

INTO CLOSED MEETING

On a motion by Chris Tuck, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enter into Closed Meeting for the discussion of the following:

Section 2.2-3711 (1) Discussion, Consideration or Interviews of Prospective Candidates for Employment; Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body

1. Personnel

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Mary Biggs		
Christopher Tuck		
Darrell Sheppard		
Gary Creed		
April DeMotts		
Annette Perkins		
Todd King		

OUT OF CLOSED MEETING

On a motion by Mary Biggs, seconded by April DeMotts, and carried; IT WAS RESOLVED, that the Public Service Authority ends their Closed Meeting to return to Regular Session.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Annette Perkins		
Mary Biggs		
Christopher Tuck		
Darrell Sheppard		
Gary Creed		
April DeMotts		
Todd King		

CERTIFICATION OF CLOSED MEETING

WHEREAS, The Montgomery County Public Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia Law

NOW, THEREFORE, BE IT RESOLVED, That the Montgomery County Public Service Authority hereby certifies that to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion conveying the closed meeting were heard, discussed or considered by the Board.

ADJOURNMENT

There being no further business, the Chair adjourned this meeting to the next meeting scheduled for March 7, 2016.

ATTEST: _____
SECRETARY/TREASURER

06 WATER FUND - REVENUE		FY16 REVISED BUDGET	Feb. 29, 2016 YTD EXPENDED	FY16 Projected Year End	FY17 Proposed Budget	Comments
416301	WATER METERED SALES	1,842,647	1,160,711	1,741,066	1,798,000	\$7.60/k gal @ 236,579,000 gallons/year
416302	WATER-UNMETERED SALES	200	0	0	200	Bulk water sales
416305	FIRE SERVICE CHARGES	20,640	13,760	20,640	20,640	from Munis
416401	PENALTY CHARGES	26,350	21,295	31,943	26,350	1.5% Percent of Total Metered Sales
416402	SERVICE FEES	213,330	142,552	213,827	213,330	\$6.50 / account per month (2735 Accts)
416403	VIA DEPT HEALTH SURCHARGE	8,205	5,482	8,223	8,205	\$0.25 / account per month (2735 Accts)
416404	TRIP FEES	150	25	38	150	Estimate
416405	TRANSFER FEES	5,460	3,400	5,100	5,470	Set at 10% of total accounts
416406	RECONNECTION FEES	12,000	8,425	12,638	12,000	Set at 20 per month
416501	MISCELLANEOUS CHARGES	0	0	0	0	
416502	OTHER INCOME	3,000	29,694	44,542	3,000	Estimate
416601	CONNECTION FEES	7,500	5,125	7,688	7,500	10 new connections
416602	FACILITY CHARGES	25,000	15,110	22,665	25,000	10 new connections
416603	INTEREST INCOME	6,000	6,736	10,104	6,000	Estimate
416607	INSPECTION FEE	300	25	38	300	Estimate
416608	RETURNED CHECK FEE	0	560	840	0	
416612	FIRE HYDRANT AVAILABILITY	14,000	11,935	11,935	12,000	from Montgomery County
419108	RECOVERED COSTS	0	0	0	0	
451203	(TO)FROM UNDESIGNATED FUND BAL	0	0	0	0	
451213	RESERVED RETAINED EARNINGS	0	0	0	0	
		2,184,782	1,424,835	2,131,285	2,138,145	

2,138,145 Expenses

0 Revenue - Expenses

06 WATER FUND - EXPENDITURES						
	FY16 REVISED BUDGET	Feb. 29, 2016 YTD EXPENDED	ENCUM.	FY16 Proposed Year End	FY17 Proposed Budget	Comments
510010 FULL TIME SALARIES & WAGES	467,926	294,757	0	442,135	470,643	Calc. W/ 3% COLA
510020 OVERTIME	4,000	2,647	0	3,971	4,000	
	0	0	0	0	15,051	NEW ITEM - Calculated
510030 PART-TIME SALARIES & WAGES	5,000	2,025	0	3,038	2,500	Part Time GIS Analyst
510050 COMPENSATION OF BOARDS	3,300	7,925	0	11,888	12,600	Calculated
521000 FICA-EMPLOYERS SHARE	34,303	23,254	0	34,881	38,046	Calculated
522000 RETIREMENT-VRS	58,786	37,405	0	56,108	63,403	Calculated
523000 HOSPITAL/MEDICAL PLANS	103,590	62,831	0	94,247	107,065	Calculated
524000 GROUP INSURANCE	5,919	3,390	0	5,085	6,384	Calculated
525000 LONG-TERM DISAB.INSURANCE	1,704	1,042	0	1,563	1,838	Calculated
526000 UNEMPLOYMENT INSURANCE	1,170	109	0	163	1,170	Calculated
527000 WORKER'S COMPENSATION PREMIUMS	17,712	6,798	0	10,197	19,500	Calculated
530010 PROFESSIONAL SERVICES	6,900	666	0	1,000	3,500	Estimate; Drug Tests, VUPs
530040 PROFESSIONAL SVS ENGINEERING	0	7,888	0	11,832	0	
530040 PROFESSIONAL SVS ENGINEERING	0	0	0	0	0	
530060 PROFESSIONAL SVCS-AUDIT SVCS	4,515	4,418	0	4,418	4,639	5% + FY16 Year End
530061 PROFESSIONAL SERVICES-FIN SUPT	116,500	40,378	0	60,566	78,000	5% + FY16 Year End
530110 PROFESSIONAL SVCS-TESTING LAB	8,600	6,751	0	10,127	8,600	FY16 Budget
533000 MAINTENANCE SVCS CONTRACT	117,000	68,057	30,632	102,085	95,000	5 + Tank Maint, F.H. Maint, VDH
533110 REPAIRS & MAINT. FACILITIES	80,453	52,953	3,507	79,430	70,000	Estimate
533110 REPAIRS & MAINT. FACILITIES	0	0	0	0	0	
533130 REPAIR & MAINTENANCE VEHICLES	15,500	13,013	0	19,519	15,500	FY16
535000 PRINTING & BINDING	300	5,699	0	8,548	9,000	Best Mailing - Bill Printing
535020 COPIER CHARGES	150	111	0	167	150	FY16
536000 ADVERTISING	650	0	0	0	650	FY16
551010 ELECTRIC SERVICES	29,000	15,321	0	22,981	22,250	5% + FY16 Year End
551040 TIPPING FEES PAYMENT	250	0	0	0	250	FY16
551200 PURCHASED WATER	670,000	436,545	0	654,818	655,000	Calculated
552010 POSTAL SERVICES	20,000	10,799	0	16,198	19,000	5% + FY16 - BMS & other Postage
552030 TELEPHONE SERVICES	8,500	6,873	0	10,309	11,000	5% + FY16 Year End
553120 GENERAL LIABILITY INSURANCE	4,814	4,672	0	4,672	4,900	5% + FY16 Year End
553130 MOTOR VEHICLE INSURANCE	5,541	5,719	0	5,719	6,000	5% + FY16 Year End

553180	OTHER PROPERTY INSURANCE	8,937	8,584	0	8,584	9,000	5% + FY16 Year End
554010	EMPLOYEE FUNCTIONS	0	0	0	0	0	
554030	RECOGNITION AWARD	300	57	0	85	300	\$25/month
554050	DUES & ASSOC. MEMBERSHIP	775	855	0	1,283	1,500	5% + FY16 Year End
555000	TRAVEL-REGISTRATION	0	0	0	0	0	
555100	TRAVEL-MILEAGE	0	0	0	0	0	
555200	TRAINING	1,500	922	0	1,383	1,500	FY16
556040	LAND & RIGHTS-PROFESSIONAL SVC	0	0	0	0	0	
556070	FEES	10,500	2,641	0	3,961	5,000	FY15 - Banking Fees per Contract
556090	BAD DEBT EXPENSE	3,000	0	0	0	3,000	Estimate
558200	REFUNDS	0	154	0	231	0	F.F. Installment Refund -1 Time
559700	LEASE/RENT OF EQUIP.	0	0	0	0	0	
560010	OFFICE SUPPLIES	1,550	1,186	0	1,779	1,600	FY16
560080	GASOLINE	22,000	8,853	0	13,280	15,000	10% + FY16 Year End
560095	MOTOR OIL, GREASE	0	0	0	0	0	
560140	OTHER OPERATING SUPPLIES	0	38	0	57	0	
560200	REPAIR PARTS, SUPPLIES - SITE	1,000	4,129	5,758	6,193	1,000	Estimate
560230	CHEMICALS	500	1,596	0	2,394	1,500	Estimate
560400	ADP SOFTWARE	0	0	0	0	0	
560610	BOOKS & SUBSCRIPTIONS	280	58	0	87	250	Training Manuals
561000	TRAVEL-MEALS & LODGING	500	0	0	0	500	FY16
561100	HOSPITALITY/MEALS	750	239	0	358	750	FY16
561200	TAXABLE MEALS	0	34	0	52	0	
562000	UNIFORMS & WEARING APPAREL	5,276	2,821	1,000	4,231	4,800	FY16 Year End
580050	MOTOR VEHICLES & EQUIPMENT	36,000	33,255	0	33,255	48,000	2 - 4x4 Pickups
581000	OTHER CAPITAL OUTLAY	3,625	3,507	0	6,012	3,625	25 Water meters @ \$145 ea.
581010	MACHINERY AND EQUIPMENT	0	825	0	1,237	0	
581030	OFFICE EQUIPMENT	0	50	0	75	0	
583000	ADP EQUIPMENT	2,400	2,201	0	3,301	1,600	Computers
583600	ADP SOFTWARE-MAJOR	1,000	400	0	600	500	Software
591000	PAYMENT OF PRINCIPAL	245,560	163,706	0	245,559	245,559	Refinancing w/ \$500K
591000	NRVRWA BUY IN	47,522	47,522	0	47,522	47,522	+/- \$47,500/year per terms
	TOTALS	2,185,058	1,405,678	40,897	2,057,183	2,138,145	

2,138,145 Revenues
0 Difference

07 WASTE WATER FUND - REVENUE		FY16 REVISED BUDGET	Feb. 29, 2016 YTD EXPENDED	FY16 Projected Year End	FY17 Proposed Budget	Comments
416303	SEWER METERED SALES	1,352,268	850,461	1,275,692	1,391,755	Projected 329gpd & \$7.65/Kgal
416304	SEWER FLAT RATE	57,360	38,644	57,966	57,450	114 Accounts @ \$42/mo
416401	PENALTY CHARGES	16,500	14,157	21,235	16,500	1.25% of metered sales
416402	SERVICE FEES	123,240	81,959	122,938	123,240	1580 accts @ \$6.50/month
416404	TRIP FEES	0	0	0	0	
416405	TRANSFER FEES	0	275	413	0	
416406	RECONNECTION FEES	200	25	38	200	Sewer Only Accts @ \$100/ea
416501	MISCELLANEOUS CHARGES	0	0	0	0	
416502	OTHER INCOME	3,000	3,820	5,730	3,000	Estimate
416601	CONNECTION FEES	2,500	1,500	2,250	2,500	Estimate
416602	FACILITY CHARGES	24,000	11,250	16,875	24,000	8 New Connections
416603	INTEREST INCOME	0	0	0	0	
416607	INSPECTION FEE	250	50	75	200	8 New Connections
416608	RETURNED CHECK FEE	0	0	0	0	
416611	SEWER PUMP STATION FACILITY	3,750	1,500	2,250	3,750	5 New SSPS Conn.
		1,583,068	1,003,641	1,505,461	1,622,595	

1,622,595 Proposed FY14 Expenses

0 Revenues - Expenses

Sewer Metered Sales Needed to Balance Budget 1,391,755

Projected Annual Flow 181,928,775

Rate Needed to Balance Budget \$7.65

Percent Increase 2.5%

Rate Increase \$0.19

07 WASTE WATER-EXPENDITURES		FY16 REVISED BUDGET	Feb. 29, 2016 YTD EXPENDED	ENCUM	FY16 Projected Year End	FY17 Proposed Budget	Comments
510010	FULL TIME SALARIES & WAGES	434,075	273,324	0	409,986	424,066	Calculated W/3% Pay Raise
510020	OVERTIME	1,350	1,574	0	2,361	2,000	FY15
510050	COMPENSATION OF BOARDS	2,700	10,050	0	15,075	17,400	Calculated
521000	FICA-EMPLOYERS SHARE	33,413	21,521	0	32,281	33,336	Calculated
522000	RETIREMENT-VRS	57,261	34,153	0	51,229	55,595	Calculated
523000	HOSPITAL/MEDICAL PLANS	87,173	58,819	0	88,229	103,090	Calculated
524000	GROUP INSURANCE	5,765	3,098	0	4,647	5,598	Calculated
525000	LONG-TERM DISAB.INSURANCE	1,646	922	0	1,383	1,399	Calculated
526000	UNEMPLOYMENT INSURANCE	1,172	35	0	52	1,170	Calculated
527000	WORKER'S COMPENSATION PREMIUMS	9,215	6,541	0	9,812	16,151	Calculated
530010	PROFESSIONAL SERVICES	3,060	2,488	0	3,732	3,060	FY16 - Drug Testing
530040	PROFESSIONAL SVS ENGINEERING	0	0	0	0	0	
530050	PROFESSIONAL SVCS-LEGAL SVCS	0	0	0	0	0	
530060	PROFESSIONAL SVCS-AUDIT SVCS	4,500	4,418	0	4,418	4,650	5% + FY16 Yearend
530061	PROFESSIONAL SERVICES-FIN SUPT	0	0	0	0	0	
530110	PROFESSIONAL SVCS-TESTING LAB	45,000	14,368	0	21,551	30,000	Estimate
533000	MAINTENANCE SVCS CONTRACT	0	0	0	0	0	
533110	REPAIRS & MAINT. FACILITIES	55,300	71,001	6,242	106,502	66,000	Estimate
533130	REPAIR & MAINTENANCE VEHICLES	5,000	2,135	0	3,203	5,000	FY16
535000	PRINTING & BINDING	0	0	0	0	0	
535020	COPIER CHARGES	0	0	0	0	0	
536000	ADVERTISING	500	0	0	0	500	FY16
551010	ELECTRIC SERVICES	78,500	49,446	0	74,169	77,200	5% + FY15 Yearend
551020	HEATING SERVICES	0	0	0	0	0	
551040	TIPPING FEES PAYMENT	4,500	2,765	0	4,147	4,900	5% + FY15 Yearend
551100	SEWER TREATMENT	500,000	361,504	0	542,256	525,000	Calculated
552010	POSTAL SERVICES	70	17	0	26	70	FY15
552030	TELEPHONE SERVICES	5,300	5,160	0	7,739	8,300	5% + FY16 Yearend
553120	GENERAL LIABILITY INSURANCE	3,122	3,035	0	3,035	3,200	5% + FY16 Yearend
553130	MOTOR VEHICLE INSURANCE	3,607	3,733	0	3,733	4,000	5% + FY16 Yearend

553180	OTHER PROPERTY INSURANCE	8,824	9,794	0	9,794	10,300	5% + FY16 Yearend
554010	EMPLOYEE FUNCTIONS	0	0	0	0	0	
554030	RECOGNITION AWARD	300	87	0	130	300	\$25/month
554050	DUES & ASSOC. MEMBERSHIP	1,025	400	0	600	1,050	Off year for renewals
555000	TRAVEL-REGISTRATION	0	0	0	0	0	
555200	TRAINING	3,000	1,496	0	2,244	3,000	FY16
556040	LAND & RIGHTS-PROFESSIONAL SVC	0	0	0	0	0	
556070	FEES	0	0	0	0	0	
556080	PERMITS	8,800	8,499	0	8,499	9,000	5% + FY16 Yearend
556090	BAD DEBT EXPENSE	0	0	0	0	0	
559700	LEASE/RENT OF EQUIP.	0	0	0	0	0	
560010	OFFICE SUPPLIES	725	650	0	975	1,000	FY16 Yearend
560080	GASOLINE	15,000	6,764	0	10,146	11,000	10% + FY16 Yearend
560090	REPAIR PARTS,SUPPLIES-VEHICLES	0	0	0	0	0	
560095	MOTOR OIL, GREASE	0	0	0	0	0	FY16
560200	REPAIR PARTS, SUPPLIES - SITE	6,000	3,800	0	5,700	0	Include in 533110
560230	CHEMICALS	36,000	19,995	1,161	29,992	30,000	FY16
560610	BOOKS & SUBSCRIPTIONS	200	0	0	0	200	Training Manuals
561000	TRAVEL-MEALS & LODGING	500	0	0	0	500	FY16
561100	HOSPITALITY/MEALS	300	120	0	180	300	FY16
562000	UNIFORMS & WEARING APPAREL	6,421	4,709	2,294	7,064	7,060	FY16 Yearend
581010	MACHINERY AND EQUIPMENT	0	0	0	0	0	
583000	ADP EQUIPMENT	0	0	0	0	0	
591000	PAYMENT OF PRINCIPAL	157,200	104,780	0	157,170	157,200	
	TOTALS	1,586,524	1,091,200	9,697	1,622,060	1,622,595	

1,622,595 Revenue
0 Difference

AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE
AUTHORITY, HELD ON THE 4th DAY OF APRIL 2016, 7:00 P.M., MULTI-PURPOSE ROOM
#2 MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:

R16-04-02

RESOLUTION SETTING PRELIMINARY RATE SCHEDULE PROPOSING A TWO AND
ONE HALF PERCENT INCREASE IN THE CURRENT SEWER RATE AND
AUTHORIZING PUBLIC HEARING IN ORDER TO PROVIDE INTERESTED PARTIES AN
OPPORTUNITY TO BE HEARD ON THE PROPOSED INCREASE

WHEREAS; the Board of Directors have determined that a two and one-half percent increase in the current sewer rate is necessary to cover the Authority's expenses necessary or properly attributable to furnishing sewer service to the Authority's users, and

WHEREAS, before a rate increase can be advertised and adopted the Authority is required under Section 15.2-5136 G of the 1950 Code of Virginia, as amended, to adopt a preliminary schedule setting out the proposed rate increase and scheduling a public hearing in order that the interested parties can have an opportunity to be heard on the proposed increase.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Montgomery County Public Service Authority that the Board of Directors hereby agree to set the following preliminary schedule proposing the following sewer rate increase:

SEWER RATE

Proposed 2.5% Increase From \$7.46 to \$7.65 per 1,000 gallons

BE IT FURTHER RESOLVED, by the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby authorize the Director to advertise a public hearing in accordance with *Section 15.2-5136G of the 1950 Code of Virginia, as amended*, to be held on May 2, 2016, at 7:00 p.m. in the Montgomery County Government Center, 755 Roanoke Street, 2nd Floor Multi-Purpose Room #2, in order to provide interested parties an opportunity to be heard concerning the proposed sewer rate increase.

AYE

NAY

ABSENT

ATTEST: _____

Robert C. Fronk, PSA Director

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

Cash Balances

March 31, 2016

Operating Cash	\$ 640,384
Bond Proceeds	6,612
Board Designated Reserves	850,000
Capital Improvements	606,044
Customer Deposits	36,967
Total	<u>\$ 2,140,007</u>

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
Cash Basis
March 31, 2016

	Water Fund			Sewer Fund		
	Revised Budget	Actual	%	Revised Budget	Actual	%
Operating revenues:						
Water/sewer charges and penalties	\$ 1,869,197	\$ 1,303,328	70%	\$ 1,426,128	\$ 1,007,498	71%
Connection fees	7,500	6,025	80%	2,500	1,600	64%
Service charges	213,330	160,414	75%	123,240	92,255	75%
VDH surcharge	8,205	6,169	75%	-	-	-
Fire service charges	20,640	16,215	79%	-	-	-
Miscellaneous	17,910	13,525	76%	450	700	156%
Other income	17,000	47,614	280%	3,000	3,979	133%
Sale of surplus	-	8,742	-	-	-	-
Interest income	6,000	7,635	127%	-	-	-
Total operating revenues	\$ 2,159,782	\$ 1,569,667		\$ 1,555,318	\$ 1,106,031	
Operating expenses:						
Salaries and wages	\$ 480,226	\$ 345,641	72%	\$ 438,125	\$ 318,855	73%
Employee benefits	223,184	150,667	68%	195,645	141,969	73%
Utilities (electric, telephone, tipping fees)	37,750	26,108	69%	88,300	65,982	75%
Water and sewer service	670,000	445,646	67%	500,000	412,676	83%
Professional services	136,515	75,780	56%	52,560	23,156	44%
Repair and maintenance	81,453	71,595	88%	61,300	83,190	136%
Insurance	19,292	18,975	98%	15,553	16,562	106%
Vehicle supplies and maintenance	37,500	23,362	62%	20,000	9,520	48%
Maintenance contracts	117,000	68,057	58%	-	-	-
Chemicals	500	1,779	356%	36,000	21,435	60%
Uniforms	5,000	2,900	58%	6,421	5,079	79%
Office supplies, postage, travel, dues, permits	38,255	26,491	69%	15,420	12,122	79%
Bad debt expense	3,000	-	-	-	-	-
Principal, interest, debt reserve payments	293,082	231,692	79%	157,200	117,877	75%
Total operating expenses	\$ 2,142,757	\$ 1,488,693		\$ 1,586,524	\$ 1,228,423	
Operating income (loss)	\$ 17,025	\$ 80,974		\$ (31,206)	\$ (122,391)	
Non-operating income (expenses):						
Sale of surplus	\$ -	\$ -	-	\$ -	\$ -	-
Facility fees	25,000	21,360	85%	27,750	15,750	57%
Capital outlay	(42,025)	(40,237)	-	(67,608)	-	-
Total non-operating income (expenses):	(17,025)	(18,877)		(39,858)	15,750	
Net Income (Loss)	\$ -	\$ 62,096		\$ (71,064)	\$ (106,641)	
Bond Proceeds Received	\$ 314,110	\$ 314,110		\$ 189,367	\$ 189,367	
Expenditures from Bond Proceeds	(314,110)	(314,110)		(189,367)	(182,755)	
Balance	\$ -	\$ -		\$ -	\$ 6,612	
Expenditures from Capital Improvements	\$ -	\$ 6,522		\$ -	\$ 94,091	

3/30/2016

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
Accrual Basis
March 31, 2016

	Water Fund			Sewer Fund		
	Revised Budget	Actual	%	Revised Budget	Actual	%
Operating revenues:						
Water/sewer charges and penalties	\$ 1,869,197	\$ 1,303,328	70%	\$ 1,426,128	\$ 1,007,498	71%
Connection fees	7,500	6,025	80%	2,500	1,600	64%
Service charges	213,330	160,414	75%	123,240	92,255	75%
VDH surcharge	8,205	6,169	75%	-	-	-
Fire service charges	20,640	16,215	79%	-	-	-
Miscellaneous	17,910	13,525	76%	450	700	-
Other income	17,000	47,614	280%	3,000	3,979	133%
Sale of surplus	-	8,742	-	-	-	-
Interest income	6,000	7,635	127%	-	-	-
Total operating revenues	\$ 2,159,782	\$ 1,569,667		\$ 1,555,318	\$ 1,106,031	
Operating expenses:						
Salaries and wages	\$ 480,226	\$ 345,641	72%	\$ 438,125	\$ 318,855	73%
Employee benefits	223,184	150,667	68%	195,645	141,969	73%
Utilities (electric, telephone, tipping fees)	37,750	26,108	69%	88,300	65,982	75%
Water and sewer service	670,000	445,646	67%	500,000	425,633	85%
Professional services	136,515	75,780	56%	52,560	23,156	44%
Repair and maintenance	81,453	71,595	88%	61,300	83,190	136%
Insurance	19,292	18,975	98%	15,553	16,562	106%
Vehicle supplies and maintenance	37,500	23,362	62%	20,000	9,520	48%
Maintenance contracts	117,000	68,057	58%	-	-	-
Chemicals	500	1,779	356%	36,000	21,435	60%
Uniforms	5,000	2,900	58%	6,421	5,079	79%
Office supplies, postage, travel, dues, permits	38,255	26,491	69%	15,420	12,122	79%
Bad debt expense	3,000	-	-	-	-	-
Principal, interest, debt reserve payments	293,082	219,812	75%	157,200	117,877	75%
Total operating expenses	\$ 2,142,757	\$ 1,476,812		\$ 1,586,524	\$ 1,241,380	
Operating income (loss)	\$ 17,025	\$ 92,854		\$ (31,206)	\$ (135,349)	
Non-operating income (expenses):						
Sale of surplus	\$ -	\$ -	-	\$ -	-	-
Facility fees	25,000	21,360	85%	27,750	15,750	57%
Capital outlay	(42,025)	(40,237)	-	(67,608)	-	-
Total non-operating income (expenses):	(17,025)	(18,877)		(39,858)	15,750	
Net Income (Loss)	\$ -	\$ 73,977		\$ (71,064)	\$ (119,599)	
Bond Proceeds Received	\$ 314,110	\$ 314,110		\$ 189,367	\$ 189,367	
Expenditures from Bond Proceeds	(314,110)	(314,110)		(189,367)	(182,755)	
Balance	\$ -	\$ -		\$ -	\$ 6,612	
Expenditures from Capital Improvements	\$ -	\$ 6,522		\$ -	\$ 94,091	

3/30/2016

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY

April 4, 2016

Director's Report

1. Monthly Activities Report

The March 2016 report is attached for review.

2. Perchlorate in Drinking Water

This issue was reviewed during the March 7, 2016 PSA Meeting in response to a concern with perchlorate releases from the Radford Arsenal. According to the NRVWA Director, perchlorate has only been tested once in 2004 and the result was below the detection level. The two PSA water systems supplied by wells, Woodview and Riner are approximately 5 ½ miles and 9 miles away from the Radford Arsenal respectively and neither has been tested for perchlorate per our recent file review.

The Director was instructed to have samples collected from the Woodview and Riner wells and have them analyzed for perchlorate. Samples were collected March 16, 2016 and sent to the laboratory for analysis. We are currently waiting on the results.

3. Prices Fork Water Tank Site Vandalism

During the weekend of March 19, 2016, someone illegally entered the fenced enclosure of the Prices Fork water tank site in Virginia Tech Foundation property on the north side of Prices Mountain. The person or persons crossed the 6-foot security fence topped with three strands of barbed wire without cutting it and accessed the caged and locked tank ladder that is 9 feet above the ground. Graffiti was painted on the tank side and domed roof.

PSA staff routinely check the Prices Fork water tank site twice a week by driving over a gated 1.1 mile rough gravel road. Upon discovery of the graffiti, the Sheriff's Office was notified and a Deputy was escorted to the site on March 22, 2016 to investigate and document. Later that day, PSA staff unlocked and climbed the tank ladder to inspect the tank and insure the tank was not damaged or vandalized. Other than the graffiti, there was no damage or breach of the tank.

This event is most concerning as the remote site and tank were accessed without damage to the security systems. We are reviewing installation of a security camera on the site. We have also contacted our insurance carrier, VACORP to request that they review the occurrence and perform a security audit.

4. Riner Wastewater Treatment Plant Access Road Paving

The paved access road to Riner Well #2, Riner Wastewater Treatment Plant (WWTP) and adjoining private properties was originally schedule to be overlaid last fall by Norwood Development. Per an agreement executed at the time of the WWTP upgrade, the PSA is solely responsible to maintain and pave the +/- 700 feet section of the access road from Route 8 to the WWTP. Due to the flooding event in September and October 2015, this work was put off until this spring. This work was completed March 16, 2016 at a cost of \$10,080.

5. Cell Phone Stipend

Several PSA employees inquired about a stipend for using their personal cell phones for PSA business use. We currently have a contract with U.S. Cellular for 14 cell phones at a monthly cost of about \$21 per phone. We are currently evaluating contract costs if we reduce the number of phones with our current and another provider.

Not all employees want to use their personal cell phones for PSA business and we will need to keep several phones for on-call and other dedicated purposes. Further evaluation will include stipend amount, operational procedures and development of a written policy.

MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY
Monthly Activity Report

March 2016

ACTIVITY	NUMBER OF ITEMS
Work Orders Issued	112
Work Orders Completed	112
Percent Completed / Issued	100
New Water Connections	1
New Sewer Connections	1
Water / Sewer Lateral Inspections	
Water Breaks	2
Sewer Main Breaks	0
Sewer Overflows	0
Sewer Stoppage	0
Sewer Backups	0
Cutoffs for Delinquency	Total 21
Cutoffs for Bad Checks	0
Avg. Number of Monthly Cutoffs over Last 12 Months	27
Water Sales from Munis (March 2016) (Gal / \$)	15,892,333 gal. / \$120,221
Sewer Sales from Munis (March 2016) (Gal / \$)	13,709,480 gal. / \$102,273
<i>Gallons of Wastewater Treated (February 2016)</i>	
Elliston - Lafayette	5,745,000
Riner	887,000
Shawsville	5,260,000
<i>Gallons of Well Water Produced (February 2016)</i>	
Riner	1,494,000
Woodview	169,000